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Non-Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]



July 30, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8914
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 Scheduled date of filing semi-annual securities report: August 6, 2025
 Scheduled date of commencing dividend payments: September 8, 2025
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Non-Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)

(1) Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	14,067	9.0	3,022	18.6	2,921	17.7	2,075	23.0
June 30, 2024	12,910	15.4	2,547	15.3	2,482	12.5	1,686	9.3

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	81.71	—
June 30, 2024	66.48	—

(Note) The Company carried out a two-for-one share split of its common shares effective July 1, 2024. The basic earnings per share figures have been calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended December 31, 2024.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	58,624	28,173	48.1
As of December 31, 2024	55,919	26,769	47.9

(Reference) Equity: As of June 30, 2025: ¥28,173 million
 As of December 31, 2024: ¥26,769 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	39.00	—	25.00	—
Fiscal year ending December 31, 2025	—	25.00			
Fiscal year ending December 31, 2025 (Forecast)			—	23.00	48.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. The Company carried out a two-for-one share split of its common shares effective July 1, 2024. The year-end dividend per share for the fiscal year ended December 31, 2024 is indicated in an amount that reflects the impact of the share split, and a dash (“—”) is indicated as the total annual dividend per share. With the share split taken into account, the interim dividend per share for the fiscal year ended December 31, 2024 is ¥19.5, which brings the annual dividend per share to ¥44.5.

3. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,000	5.3	5,350	9.0	5,080	7.8	3,420	6.8	134.70

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(3) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

June 30, 2025: 25,881,800 shares
December 31, 2024: 25,881,800 shares

2) Total number of treasury shares at the end of the period:

June 30, 2025: 465,666 shares
December 31, 2024: 491,167 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended June 30, 2025: 25,397,024 shares
Six months ended June 30, 2024: 25,372,981 shares

(Note) The Company carried out a two-for-one share split of its common shares effective July 1, 2024. The figures for average number of shares during the period have been calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended December 31, 2024.

* These semi-annual non-consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements contained in this document, including the forecast for business results, are based on information available to the Company at the time of preparation of this document and certain assumptions that the Company deems to be reasonable. Actual results may differ materially from those statements due to a variety of different factors in the future. For details of assumptions for the financial results forecast and cautionary statements regarding the use of the forecast, please refer to “Explanation of Financial Results Forecast and Other Forward-Looking Information” on page 3 of the attachment.

Attachment

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

For the six months ended June 30, 2025, net sales were ¥14,067 million (up 9.0% year on year), operating profit was ¥3,022 million (up 18.6% year on year), ordinary profit was ¥2,921 million (up 17.7% year on year), and profit was ¥2,075 million (up 23.0% year on year), resulting in increases in both revenue and profit.

The Company's business performance by segment is as follows.

Self-Storage Business

Arealink's mainstay self-storage business comprises the two subsegments of self-storage management and self-storage brokerage.

In self-storage management, the utilization rate for Hello Storage, the self-storage ("trunk rooms") brand under which the Company operates its self-storage business, decreased by 2.75 percentage points to 83.16% from the end of the previous fiscal year due to the effect of an increase in the number of newly opened self-storage units, but remained at a high level. The main factors were the steady conclusion of contracts due to the improved precision of store openings through data analysis, openings at smaller locations, and improved product recognition, etc.

In the self-storage business, while aiming to add 4,700 new openings, the Company opened a total of 5,800 units (including additions of 430 units in existing properties) in the fiscal year ended December 31, 2023. In the fiscal year ended December 31, 2024, with the aim of adding 10,400 new openings, the Company opened a total of 10,545 units (including addition of 435 units in existing properties). With the aim of adding 15,000 new openings in the fiscal year ending December 31, 2025, the Company opened a total of 9,446 units (including additions of 146 units in existing properties) during the six months ended June 30, 2025. The number of self-storage units totaled 118,639 units, an increase of 8,197 units from the end of the previous fiscal year due to the factors such as regularly scheduled closures. In terms of contracts concluded, the Company steadily expanded the number of storage units utilized by capturing demand through efforts such as leveraging its database established to further improve the precision of new location openings and shift to openings at smaller locations, as well as strengthened public relations, which improved the recognition of Arealink storage products. As for profitability, the Company increased revenue and profit from self-storage management by curbing discount rates through controlled sales campaigns, reviewing some rent, and carrying out efficient advertising, in addition to maintaining its style of having the bulk of openings centered on high-margin company-owned locations.

The self-storage brokerage business recorded 14 sales for indoor asset-type "self-storage properties with land."

Consequently, net sales in the self-storage business amounted to ¥11,976 million (up 19.3% year on year), and operating profit was ¥3,304 million (up 22.9% year on year), resulting in increases in both revenue and profit.

Land Rights Consolidation Business

Net sales in the land rights consolidation business amounted to ¥1,306 million (down 38.4% year on year), and operating profit was ¥180 million (down 46.9% year on year), resulting in decreases in revenue and profit following the business downsizing policy. In terms of purchases, the Company continued to concentrate on purchasing properties of good quality, and asset value resulted in a decrease of ¥300 million from the end of the previous fiscal year to ¥2,637 million.

Other Operational Services Business

The other operational services business comprises businesses with a revenue base of rent income, such as asset business and office business. In the asset business, the Company recorded decreases in both revenue and profit mainly due to a decrease in managed properties, despite utilization rates of held and managed properties remaining high. In the office business, both revenue and profit increased partly due to steady utilization of operated properties. As a result, net sales in the other operational services business amounted to ¥783 million (up 4.3% year on year), and operating profit was ¥224 million (up 8.7% year on year), resulting in increases in both revenue and profit.

(2) Explanation of Financial Position

1. Assets, Liabilities and Net Assets

Total assets as of June 30, 2025 increased by ¥2,704 million compared to the end of the previous fiscal year to ¥58,624 million. This was mainly attributable to increases of ¥2,116 million in tools, furniture and fixtures, ¥802 million in cash and deposits, ¥273 million in real estate for sale in process, ¥147 million in land, and ¥136 million in buildings, as well as a decrease of ¥1,096 million in real estate for sale.

Total liabilities as of June 30, 2025 increased by ¥1,300 million compared to the end of the previous fiscal year to ¥30,450 million. This was mainly attributable to increases of ¥1,110 million in long-term borrowings, ¥332 million in income taxes payable, and ¥216 million in short-term borrowings.

Net assets as of June 30, 2025 increased by ¥1,403 million compared to the end of the previous fiscal year to ¥28,173 million. This was mainly attributable to an increase of ¥1,440 million in retained earnings (an increase of ¥2,075 million due to profit and a decrease of ¥634 million due to the payment of dividends). As a result, the equity ratio was 48.1%.

2. Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) as of June 30, 2025 increased by ¥802 million compared to the end of the previous fiscal year to ¥16,012 million.

Cash flows from operating activities resulted in a net inflow of ¥3,811 million (a net inflow of ¥3,849 million for the same period of the previous fiscal year). This was mainly attributable to factors for decrease such as income taxes paid of ¥546 million and interest paid of ¥161 million, being offset by factors for increase such as profit before income taxes of ¥2,950 million, depreciation of ¥848 million, and decrease in inventories of ¥848 million.

Cash flows from investing activities resulted in a net outflow of ¥3,688 million (a net outflow of ¥3,900 million for the same period of the previous fiscal year). This was mainly attributable to factors for decrease such as purchase of property, plant and equipment of ¥3,673 million.

Cash flows from financing activities resulted in a net inflow of ¥690 million (a net inflow of ¥861 million for the same period of the previous fiscal year). This was mainly attributable to factors for decrease such as repayments of long-term borrowings of ¥3,046 million, dividends paid of ¥633 million, and repayments of lease obligations of ¥146 million, being offset by factors for increase such as proceeds from long-term borrowings of ¥3,872 million and proceeds from sale and installment back transactions of ¥469 million.

(3) Explanation of Financial Results Forecast and Other Forward-Looking Information

No changes have been made to the financial results forecast for the full year ending December 31, 2025 in “Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2024,” which was announced on February 14, 2025.

Should the Company determine that a revision of the financial results forecast is necessary due to changes in the business environment or other factors going forward, such revision will be disclosed promptly.

2. Semi-Annual Non-Consolidated Financial Statements and Primary Notes

(1) Semi-Annual Non-Consolidated Balance Sheets

(Thousand yen)

	For the fiscal year ended December 31, 2024 (As of December 31, 2024)	For the six months ended June 30, 2025 (As of June 30, 2025)
Assets		
Current assets		
Cash and deposits	15,210,595	16,012,600
Accounts receivable - trade	165,870	191,718
Accounts receivable from completed construction contracts	-	34,629
Real estate for sale	5,847,211	4,750,404
Real estate for sale in process	735,353	1,008,506
Costs on construction contracts in progress	34,664	5,139
Supplies	47,163	52,187
Other	550,236	654,643
Allowance for doubtful accounts	(33,037)	(36,259)
Total current assets	22,558,058	22,673,569
Non-current assets		
Property, plant and equipment		
Buildings	10,573,830	10,915,602
Accumulated depreciation	(3,637,254)	(3,842,654)
Accumulated impairment	(643,234)	(643,234)
Buildings, net	6,293,340	6,429,712
Tools, furniture and fixtures	14,444,917	17,021,276
Accumulated depreciation	(3,183,549)	(3,643,384)
Accumulated impairment	(277,984)	(277,925)
Tools, furniture and fixtures, net	10,983,383	13,099,966
Land	7,595,818	7,743,298
Other	7,451,129	7,803,955
Accumulated depreciation	(3,050,196)	(3,335,643)
Accumulated impairment	(813,518)	(812,317)
Other, net	3,587,414	3,655,994
Total property, plant and equipment	28,459,957	30,928,972
Intangible assets		
Other	166,888	195,900
Total intangible assets	166,888	195,900
Investments and other assets		
Shares of subsidiaries and associates	1,150,000	1,150,000
Deferred tax assets	1,591,493	1,680,624
Other	2,622,990	2,625,202
Allowance for doubtful accounts	(629,770)	(630,031)
Total investments and other assets	4,734,713	4,825,795
Total non-current assets	33,361,559	35,950,668
Total assets	55,919,618	58,624,238

(Thousand yen)

	For the fiscal year ended December 31, 2024 (As of December 31, 2024)	For the six months ended June 30, 2025 (As of June 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	153,291	159,333
Short-term borrowings	331,140	547,500
Current portion of long-term borrowings	2,623,903	2,339,740
Income taxes payable	689,965	1,022,708
Provision for loss on sublease	3,342	1,155
Lease obligations	294,079	295,451
Other	3,690,393	3,529,962
Total current liabilities	7,786,116	7,895,851
Non-current liabilities		
Long-term borrowings	16,582,382	17,692,650
Long-term unearned revenue	753,803	631,518
Lease obligations	1,010,035	861,965
Asset retirement obligations	1,433,258	1,580,433
Provision for loss on sublease	2,791	763
Long-term accounts payable - other	1,258,895	1,435,857
Other	322,455	351,443
Total non-current liabilities	21,363,622	22,554,633
Total liabilities	29,149,738	30,450,484
Net assets		
Shareholders' equity		
Share capital	6,111,539	6,111,539
Capital surplus		
Legal capital surplus	6,156,037	6,156,037
Other capital surplus	10,668	9,090
Total capital surplus	6,166,705	6,165,127
Retained earnings		
Retained earnings brought forward	14,685,198	16,125,724
Total retained earnings	14,685,198	16,125,724
Treasury shares	(215,621)	(204,564)
Total shareholders' equity	26,747,823	28,197,827
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,056	-
Deferred gains or losses on hedges	-	(24,073)
Total valuation and translation adjustments	22,056	(24,073)
Total net assets	26,769,879	28,173,753
Total liabilities and net assets	55,919,618	58,624,238

(2) Semi-Annual Non-Consolidated Statements of Income
Six Months Ended June 30

(Thousand yen)

	For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	For the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Net sales	12,910,575	14,067,129
Cost of sales	8,469,746	9,168,506
Gross profit	4,440,829	4,898,623
Selling, general and administrative expenses	1,893,591	1,876,366
Operating profit	2,547,237	3,022,256
Non-operating income		
Interest income	26	17
Delinquency charge income	1,706	2,324
Foreign exchange gains	51,327	-
Insurance claim income	9,502	2,945
Compensation for forced relocation	58,419	129,726
Other	6,090	9,598
Total non-operating income	127,071	144,612
Non-operating expenses		
Interest expenses	91,067	155,690
Interest on bonds	19	-
Foreign exchange losses	-	12,224
Commission expenses	96,970	76,370
Other	3,597	614
Total non-operating expenses	191,654	244,900
Ordinary profit	2,482,654	2,921,967
Extraordinary income		
Gain on sale of investment securities	1,720	28,827
Total extraordinary income	1,720	28,827
Extraordinary losses		
Loss on sale of non-current assets	120	-
Loss on retirement of non-current assets	5,918	393
Total extraordinary losses	6,038	393
Profit before income taxes	2,478,337	2,950,401
Income taxes - current	720,990	943,881
Income taxes - deferred	70,448	(68,772)
Total income taxes	791,439	875,109
Profit	1,686,897	2,075,291

(3) Semi-Annual Non-Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	For the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Profit before income taxes	2,478,337	2,950,401
Depreciation	655,114	848,402
Interest and dividend income	(572)	(585)
Increase (decrease) in provision for loss on sublease	2,618	(4,215)
Interest expenses on borrowings and bonds	91,087	155,690
Loss (gain) on sale of non-current assets	120	-
Loss on retirement of non-current assets	5,918	393
Decrease (increase) in trade receivables	(18,688)	(60,477)
Decrease (increase) in inventories	1,300,638	848,155
Decrease (increase) in consumption taxes refund receivable	-	67,039
Increase (decrease) in trade payables	(20,770)	(3,157)
Increase (decrease) in accounts payable - other	71,267	46,143
Increase (decrease) in accrued consumption taxes	55,436	290,158
Increase (decrease) in guarantee deposits received	(7,141)	(5,710)
Other, net	(12,941)	(505,340)
Subtotal	4,600,424	4,626,897
Interest and dividends received	572	585
Interest paid	(90,670)	(161,721)
Payments for loss on repurchase	(136,611)	(108,414)
Income taxes paid	(524,566)	(546,133)
Net cash provided by (used in) operating activities	3,849,148	3,811,214
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,686,973)	(3,673,786)
Purchase of intangible assets	(60,497)	(36,706)
Purchase of shares of subsidiaries and associates	(1,150,000)	-
Other, net	(2,673)	22,455
Net cash provided by (used in) investing activities	(3,900,144)	(3,688,037)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	485,140	216,360
Proceeds from long-term borrowings	3,863,402	3,872,296
Repayments of long-term borrowings	(2,335,480)	(3,046,191)
Redemption of bonds	(29,500)	-
Repayments of lease obligations	(146,473)	(146,697)
Proceeds from sale and installment back transactions	-	469,112
Dividends paid	(975,187)	(633,943)
Purchase of treasury shares	(173)	(180)
Other, net	-	(40,421)
Net cash provided by (used in) financing activities	861,726	690,333
Effect of exchange rate change on cash and cash equivalents	46,347	(11,505)

Net increase (decrease) in cash and cash equivalents	857,077	802,004
Cash and cash equivalents at beginning of period	14,995,672	15,210,595
Cash and cash equivalents at end of period	15,852,750	16,012,600

(4) Notes on Semi-Annual Non-Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Segment information, etc.)

1. Overview of reportable segments

The Company's reportable segments are components of the Company whose separate financial information is available. These segments are subject to periodic examinations to enable the Company's Board of Directors to decide how to allocate resources and assess performance.

The three segments, "self-storage business," "land rights consolidation business," and "other operational services business" comprise the Company's reportable segments.

In the self-storage business, the Company rents land and vacant rooms in buildings or holds land and buildings to provide them as storage containers, trunk rooms, and other rental storage space for users. The business also involves receiving orders for the installation or construction of storage containers and trunk rooms and selling such self-storage properties to suit the needs of landowners and investors.

The land rights consolidation business offers resolution of issues between landowners and leasehold rights holders through the buying and selling of leaseholder rights and limited land rights with complex rights circumstances. Revenue earned from ground rent for a period during which the Company holds limited land rights, etc. and revenue generated by buying and selling income properties are also included.

The other operational services business includes the asset business, which handles the leasing, maintenance, and management of the Company's own properties (offices, stores, residences, hotels, etc.), the office business, which rents vacant rooms in buildings and provides them as small rental offices for users, and other businesses run by adding value to the Company's products.

2. Information on net sales and profit (loss) by reportable segment

For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(Thousand yen)

	Reportable segment				Adjustment	Amount recorded in Semi-Annual Non-Consolidated Statements of Income
	Self-storage Business	Land Rights Consolidation Business	Other Operational Services Business	Subtotal		
Net sales						
Net sales to outside customers	10,037,197	2,122,335	751,043	12,910,575	—	12,910,575
Intersegment net sales or transfers	—	—	—	—	—	—
Total	10,037,197	2,122,335	751,043	12,910,575	—	12,910,575
Segment profit	2,688,269	339,632	206,898	3,234,800	(687,562)	2,547,237

(Notes) 1. The adjustment to segment profit of ¥(687,562) thousand is corporate expenses not allocated to reportable segments. Corporate expenses are mainly expenses related to the Management Division.

2. Segment profit is adjusted with operating profit in the Semi-Annual Non-Consolidated Statements of Income.

For the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(Thousand yen)

	Reportable segment				Adjustment	Amount recorded in Semi-Annual Non-Consolidated Statements of Income
	Self-storage Business	Land Rights Consolidation Business	Other Operational Services Business	Subtotal		
Net sales						
Net sales to outside customers	11,976,941	1,306,676	783,511	14,067,129	—	14,067,129
Intersegment net sales or transfers	—	—	—	—	—	—
Total	11,976,941	1,306,676	783,511	14,067,129	—	14,067,129
Segment profit	3,304,681	180,259	224,988	3,709,929	(687,672)	3,022,256

(Notes) 1. The adjustment to segment profit of ¥(687,672) thousand is corporate expenses not allocated to reportable segments. Corporate expenses are mainly expenses related to the Management Division.

2. Segment profit is adjusted with operating profit in the Semi-Annual Non-Consolidated Statements of Income.

(Significant subsequent events)

Not applicable.